



Brand Performance Check

Acne Studios

Publication date: February 2021

This report covers the evaluation period 01-09-2019 to 31-08-2020

About the Brand Performance Check

Fair Wear Foundation (Fair Wear) believes that improving conditions for apparel product location workers requires change at many levels. Traditional efforts to improve conditions focus primarily on the product location. Fair Wear, however, believes that the management decisions of clothing brands have an enormous influence for good or ill on product location conditions.

Fair Wear's Brand Performance Check is a tool to evaluate and report on the activities of Fair Wear's member companies. The Checks examine how member company management systems support Fair Wear's Code of Labour Practices. They evaluate the parts of member company supply chains where clothing is assembled. This is the most labour intensive part of garment supply chains, and where brands can have the most influence over working conditions.

In most apparel supply chains, clothing brands do not own product locations, and most product locations work for many different brands. This means that in most cases Fair Wear member companies have influence, but not direct control, over working conditions. As a result, the Brand Performance Checks focus primarily on verifying the efforts of member companies. Outcomes at the product location level are assessed via audits and complaint reports, however the complexity of the supply chains means that even the best efforts of Fair Wear member companies cannot guarantee results.

Even if outcomes at the product location level cannot be guaranteed, the importance of good management practices by member companies cannot be understated. Even one concerned customer at a product location can have significant positive impacts on a range of issues like health and safety conditions or freedom of association. And if one customer at a product location can demonstrate that improvements are possible, other customers no longer have an excuse not to act. The development and sharing of these types of best practices has long been a core part of Fair Wear's work.

The Brand Performance Check system is designed to accommodate the range of structures and strengths that different companies have, and reflects the different ways that brands can support better working conditions.

This report is based on interviews with member company employees who play important roles in the management of supply chains, and a variety of documentation sources, financial records, supplier data. The findings from the Brand Performance Check are summarized and published at www.fairwear.org. The online [Brand Performance Check Guide](#) provides more information about the indicators.

Brand Performance Check Overview

Acne Studios

Evaluation Period: 01-09-2019 to 31-08-2020

Member company information	
Headquarters:	Stockholm , Sweden
Member since:	2008-08-31
Product types:	Garments, clothing, fashion apparel
Production in countries where Fair Wear is active:	Bulgaria, China, Romania, Tunisia, Turkey
Production in other countries:	Albania, France, Italy, Lithuania, Morocco, Portugal, Republic of Korea, United Kingdom of Great Britain and Northern Ireland
Basic requirements	
Workplan and projected production location data for upcoming year have been submitted?	Yes
Actual production location data for evaluation period was submitted?	Yes
Membership fee has been paid?	Yes
Scoring overview	
% of own production under monitoring	88%
Benchmarking score	71
Category	Leader

Disclaimer

This performance check was conducted amidst the COVID-19 outbreak in 2020. Due to travel restrictions in 2020, the assessment methodology for this check was modified to adapt to an online version.

While the performance check does cover all indicators, Fair Wear was not able to cross-check information with the member company's other departments to the extent it would normally do. This may have led to shorter descriptions/comments in the report. We have taken additional measures to ensure the scores are still inclusive and representative of the performance/progress made: more documentation was requested from the member during the preparation phase and other staff members were interviewed to score a specific indicator, where necessary. Furthermore, due to our improved data management system, Fair Wear was able to better track and document progress, mitigating much of the disadvantage of a remote performance check.

This modified version was applied consistently to all members' performance checks starting their financial year in 2019 in order to maintain fair and comparable data.

Fair Wear will evaluate the members' response to the Corona-crisis in the performance check about the financial year starting in 2020. For members having financial years starting in April or later, parts of their response can already be reflected in the current performance check report, although their overall response will be evaluated in the next performance check.

Summary:

Acne Studios (hereafter: Acne) has shown advanced results on performance indicators. With 88% of production under monitoring, Acne surpasses Fair Wear's monitoring threshold for members after three years of membership. The benchmarking score of 71 means Acne remains in the 'Leader' category.

Almost 8 months of Acne's financial year were impacted by Covid-19. When Covid-19 started, Acne conducted a risk overview outlining total order volume, predicted reduction, whether the location had subcontractors and what leverage Acne had in that location. In addition, information regarding lockdown or factory closure was included, as were possible wage reductions. Based on this overview Acne decided what to discuss with which suppliers. The brand reached out to specific suppliers based on high leverage, high reduction and the number of subcontractors.

Acne had to reduce some orders to accommodate planning, requests by customers and store closures. The decision of which orders to reduce was based on where in the process the order was. If material had not yet been cut, orders were adjusted. In general, Acne did not cancel - but rather reduced - orders. Acne made sure to pay for all materials that were already ordered or booked. The brand has asked its developers to ensure the inclusion of these materials in next season's collection.

Acne continued its discussions with suppliers on transparency of the labour cost component of prices but has not been able to show progress on linking its prices to wages or raising wages in production locations.

Fair Wear recommends Acne to enrol more suppliers in training. This includes training focused on increasing understanding of the Fair Wear Code of Labour Practices as well as the implementation of training programmes that support factory-level transformation, such as establishing functional internal grievance mechanisms, improving worker-management dialogue and communication skills or addressing gender-based violence.

Performance Category Overview

Leader: This category is for member companies who are doing exceptionally well, and are operating at an advanced level. Leaders show best practices in complex areas such as living wages and freedom of association.

Good: It is Fair Wear's belief that member companies who are making a serious effort to implement the Code of Labour Practices—the vast majority of Fair Wear member companies—are 'doing good' and deserve to be recognized as such. They are also doing more than the average clothing company, and have allowed their internal processes to be examined and publicly reported on by an independent NGO. The majority of member companies will receive a 'Good' rating.

Needs Improvement: Member companies are most likely to find themselves in this category when major unexpected problems have arisen, or if they are unable or unwilling to seriously work towards CoLP implementation. Member companies may be in this category for one year only after which they should either move up to Good, or will be moved to suspended.

Suspended: Member companies who either fail to meet one of the Basic Requirements, have had major internal changes which means membership must be put on hold for a maximum of one year, or have been in Needs Improvement for more than one year. Member companies may remain in this category for one year maximum, after which termination proceedings will come into force.

Categories are calculated based on a combination of benchmarking score and the percentage of own production under monitoring. The specific requirements for each category are outlined in the Brand Performance Check Guide.

1. Purchasing Practices

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.1a Percentage of production volume from production locations where member company buys at least 10% of production capacity.	82%	Member companies with less than 10% of a production location's production capacity generally have limited influence on production location managers to make changes.	Supplier information provided by member company.	4	4	0

Comment: Acne works with approximately 60 direct suppliers, with whom they have a stable and long-term relationship. Most of its products are made in Italy and Portugal where the production process is divided over multiple production locations, each with their own special skills. Whether this skill is needed for specific products depends on the design of the product. Because of this Acne used over 200 production locations over the past financial year. For more than 82% of the total FOB volume, Acne is responsible for over 10% of production.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.1b Percentage of production volume from production locations where member company buys less than 2% of its total FOB.	66%	Fair Wear provides incentives to clothing brands to consolidate their supplier base, especially at the tail end, as much as possible, and rewards those members who have a small tail end. Shortening the tail end reduces social compliance risks and enhances the impact of efficient use of capital and remediation efforts.	Production location information as provided to Fair Wear.	0	4	0

Comment: Due to its fragmented production as explained above, only 66% of Acne's production is from production locations where the company buys more than 2% of its FOB. The nature of Acne's products and its decision to focus on producing in Europe results in this fragmented supply chain.

Recommendation: Fair Wear recommends Acne to consolidate its supply base by limiting the number of production locations in its 'tail end'. To achieve this, members should determine whether production locations where they buy less than 2% of their FOB are of strategic relevance. Shortening the tail will reduce the social compliance risks the member is exposed to and will allow the member to improve working conditions in a more efficient and effective way. It is advised to describe the process of consolidation in a sourcing strategy that is agreed upon with top management/sourcing staff.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.2 Percentage of production volume from production locations where a business relationship has existed for at least five years.	47%	Stable business relationships support most aspects of the Code of Labour Practices, and give production locations a reason to invest in improving working conditions.	Supplier information provided by member company.	2	4	0

Comment: Acne values long-term relationships with its direct suppliers. As subcontractors are used because of their specific skill it is more difficult to commit to a long term relationship with them. In the past financial year, Acne sourced 47% of FOB from production locations where the relationship has existed for more than 5 years.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.3 All (new) production locations are required to sign and return the questionnaire with the Code of Labour Practices before first bulk orders are placed.	Yes	The CoLP is the foundation of all work between production locations and brands, and the first step in developing a commitment to improvements.	Signed CoLPs are on file.	2	2	0

Comment: When a potential new supplier or subcontractor has been identified, Acne will send an introduction email to request suppliers to sign the Code of Labour Practices and post the worker information sheet.

Acne has a PLM system and the sustainability team is the only one allowed to enter new factories in the system. So new suppliers are only added if the questionnaire and signed Code of Labour Practices have been returned. Subcontractors are not included as part of the order in the system. However, subcontractors will be assigned to specific styles and thus also need to be in the system when orders are placed and will need to ensure to return the questionnaire and signed Code of Labour Practices.

During the performance check Acne was able to show that all questionnaires for new production locations were on file.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.4 Member company conducts human rights due diligence at all (new) production locations before placing orders.	Advanced	Due diligence helps to identify, prevent and mitigate potential human rights problems at suppliers.	Documentation may include pre-audits, existing audits, other types of risk assessments.	4	4	0

Comment: Acne has a sourcing guide, outlining its sourcing policy for all colleagues. This policy provides an overview of the risk classification of different countries and outlines the process Acne staff should follow when selecting new production locations and when placing orders.

Acne organised audits or analyse existing audit reports at new suppliers to have an overview of working conditions. In low risk countries, the production department visits the suppliers and subcontractors before placing an order. The production department uses Fair Wear's occupational health and safety checklist to have an overview of working conditions at a new supplier.

The sustainability department has meetings with people from all product groups before orders are placed. In those meetings, all orders are discussed and evaluated against previous orders and colleagues are updated on the sustainability score of production locations and if there are problems regarding OT and wages specifically.

When Covid-19 started, Acne made a risk overview, outlining total order volume of Acne, predicted reduction of orders, whether the location had subcontractors and what leverage Acne had in that location. In addition, information regarding lockdown or factory closure was included and possible wage reductions. Based on this overview, Acne decided what to discuss with which suppliers. The brand reached out to specific suppliers, based on high leverage, high reduction and the number of subcontractors.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.5 Production location compliance with Code of Labour Practices is evaluated in a systematic manner.	Yes, and leads to production decisions	A systemic approach is required to integrate social compliance into normal business processes, and supports good decisionmaking.	Documentation of systemic approach: rating systems, checklists, databases, etc.	2	2	0

Comment: The sustainability department of Acne has developed a system to evaluate suppliers' social compliance status based on four indicators: wages, social dialogue, overtime, and occupational safety and health. In the past financial year, Acne added own purchasing practices as part of the evaluation. Audits are the main source of input for this assessment.

In the past financial year, input from a supplier survey Fair Wear conducted at a selection of its members factories has been included in the overview, as well as the outcomes of a financial credit check Acne ordered at all their suppliers to ensure they are financially healthy.

Due to Covid-19, Acne had to reduce some orders, to accommodate adjusted planning, requests by customers and store closures. The brand decided to downsize its collection. The decision what orders to reduce was based on where in the process the order was. If material was not yet cut, orders were adjusted. In general Acne did not cancel complete orders, but rather reduced orders. Acne made sure to pay for all materials that were already ordered or booked to ensure the factories did not face any additional financial consequences. The brand has asked its developers to ensure to include these materials in next season's collection. Order reductions were done in dialogue with suppliers and the situation for workers was monitored, at the main supplier and subcontractor level.

The sourcing policy defines how suppliers are evaluated and rewarded. Orders could be put on hold if a supplier is underperforming. The policy is communicated internally. Suppliers are informed during the entrance process and the brand is planning to share evaluations with suppliers on a regular basis.

As supplier performance related to CoLP compliance is part of the regular meetings with the production department this influences the production decision process.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.6 The member company's production planning systems support reasonable working hours.	Strong, integrated systems in place.	Member company production planning systems can have a significant impact on the levels of excessive overtime at production locations.	Documentation of robust planning systems.	4	4	0

Comment: There are two seasons at Acne, each with 4 delivery deadlines. Acne has developed a strategy guiding designers and production managers to plan production systematically. The strategy describes timeframes of each process including designing, sampling, material preparation, confirming orders, production, and delivery. The strategy was developed in consultation with the suppliers. A production cycle takes about 6-9 months. The suppliers are informed from the beginning of the production cycle. In addition, Acne has taken steps to prevent overtime issues, such as pre-ordering fabrics, planning production avoiding public holidays and extensive communication on sample details.

Acne's production department is aware of the importance of good planning and its impact on the working hours of workers. Acne focuses on improving its forecasting, enabling earlier planning of production at the production locations.

The production planning for Fall/Winter 20 was highly affected by Covid-19. While the first drop was still as planned, production needed to be adjusted for the second and third delivery dates due to adjusted orders and factory closure. Acne was in weekly or sometimes daily contact with the relevant suppliers to discuss the situation and understand the impact on material deliveries and production. Based on the specific situation at suppliers the planning was adjusted. This resulted in almost all products being delivered on time for the last deadline without resulting in excessive overtime.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.7 Degree to which member company mitigates root causes of excessive overtime.	Advanced efforts	Some production delays are outside of the control of member companies; however there are a number of steps that can be taken to address production delays without resorting to excessive overtime.	Evidence of how member responds to excessive overtime and strategies that help reduce the risk of excessive overtime, such as: root cause analysis, reports, correspondence with factories, etc.	6	6	0

Comment: Two Romanian and one Chinese audits done in the past financial year show improvements on excessive overtime, after Acne has been working on the previous CAP with these locations.

In the past financial year, Acne has focused on addressing excessive overtime specifically with their Turkish suppliers. Because Acne's own purchasing practices is now a standard item in supplier evaluation the brand also specifically focused on that when addressing overtime. In discussions with the Turkish suppliers it turned out that the root causes were not directly linked to Acne's purchasing practices. Instead, Acne supported the factories with their production planning, including material orders. In addition, Acne enrolled the factories in WEP trainings. Reporting on these trainings indicated structural excessive overtime decreased.

With a few production locations, specifically in China, audits were unable to draw conclusions on hours because of administrative problems. Acne has been closely monitoring these locations and checking progress with Fair Wear's local team.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.8 Member company can demonstrate the link between its buying prices and wage levels in production locations.	Intermediate	Understanding the labour component of buying prices is an essential first step for member companies towards ensuring the payment of minimum wages – and towards the implementation of living wages.	Interviews with production staff, documents related to member's pricing policy and system, buying contracts.	2	4	0

Comment: Acne does a wage analysis in its production locations in Bulgaria, China, Romania, South Korea, Tunisia and Turkey. Based on information from the audits they compare average wages of the sewing department with legal minimum wage, average wage and living wage. At the moment all production locations pay well above the industry average. Acne has transparency in costing on a basic level and involves its production locations throughout the development of a product to ensure it meets the target price. Throughout the development process, things that affect the price are adapted, such as materials or trims. If designers indicate nothing can change, the price changes. Acne has started gathering information on labour minutes and more detailed labour cost breakdown. In the past financial year the company reached out to additional suppliers to collect information. This information is currently collected after setting the price and is not used to influence price negotiations. Through this process Acne monitors that its prices do not negatively influence wage. However, at the moment the company is not yet able to explicitly link its prices to wages. Acne has not yet discussed the incorporation of costs related to Covid-19 into their prices.

Recommendation: Fair Wear recommends Acne to expand their knowledge of cost break downs of all product groups. A next step would be to calculate the labour minute costs of its products to be able to calculate the exact costs of labour and link this to their own buying prices. Fair Wear's labour minute value and product costing calculator also enables suppliers to include any Covid-19 related costs. First priority would be to make sure this level of transparency can be achieved with their suppliers.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.9 Member company actively responds if production locations fail to pay legal minimum wages and/or fail to provide wage data to verify minimum wage is paid.	Yes	If a supplier fails to pay minimum wage or minimum wage payments cannot be verified, Fair Wear member companies are expected to hold management of the supplier accountable for respecting local labour law. Payment below minimum wage must be remediated urgently.	Complaint reports, CAPs, additional emails, Fair Wear Audit Reports or additional monitoring visits by a Fair Wear auditor, or other documents that show minimum wage issue is reported/resolved.	0	0	-2

Comment: Acne checked in with several suppliers to discuss wages, specifically related to Covid-19.

In one location in China it turned out that the factory did not pay workers during factory closure. Acne discussed this with the factory and ensured remediation. In addition, the brand checked with all Chinese suppliers to ensure workers were paid during factory closure.

In Italy there was a lot of unclarity about the financial situation of the factories. When it turned out they could apply for government support, the Italy Working Group of which Acne is a founding member, organised a training to inform factories how they could apply for this support to ensure all wages would be paid. Part of the trainings was to also ensure subcontractors were aware and able to implement the measures.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.10 Evidence of late payments to suppliers by member company.	No	Late payments to suppliers can have a negative impact on production locations and their ability to pay workers on time. Most garment workers have minimal savings, and even a brief delay in payments can cause serious problems.	Based on a complaint or audit report; review of production location and member company financial documents.	0	0	-1

Comment: Acne paid all invoices within the regular terms.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.11 Degree to which member company assesses and responds to root causes for wages that are lower than living wages in production locations.	Intermediate	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach	Evidence of how payment below living wage was addressed, such as: Internal policy and strategy documents, reports, correspondence with factories, etc	4	6	0

Comment: Acne closely monitors wages in their production locations. Wages are an explicit focus area in the supplier evaluation. Information from different CAPs is compared and evaluated. Information from the CAP is translated into a root cause analysis, which is discussed with the factory.

Previously, Acne has started to have more in-depth discussions about the root causes of wages below living wage with production locations where they have high leverage. In the past financial year the brand did not prioritise the topic, although it has continued the discussion about the link between prices and wages as discussed at indicator 1.8.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.12 Percentage of production volume from factories owned by the member company (bonus indicator).	None	Owning a supplier increases the accountability and reduces the risk of unexpected CoLP violations. Given these advantages, this is a bonus indicator. Extra points are possible, but the indicator will not negatively affect an member company's score.	Supplier information provided by member company.	N/A	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.13 Member company determines and finances wage increases.	Intermediate	Assessing the root causes for wages lower than living wages will determine what strategies/interventions are needed for increasing wages, which will result in a systemic approach.	Evidence of how payment below living wage was addressed, such as: internal policy and strategy documents, reports, correspondence with factories, etc.	2	6	0

Comment: For Acne the target wage is the living wage estimate as provided by Fair Wear in the wage ladder. As part of the company's analysis of wage levels in production location they compare current wage levels against the industry average and the living wage estimate. At the moment the company contributes to higher wages at some of their suppliers, through its product prices. In the future Acne would like to have a better understanding of how their prices relate to wages to better contribute.

Recommendation: Fair Wear recommends Acne to integrate the financing of wage increases it in its own systems, herewith committing to a long term process that leads to sustainable implementation of living wages.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
1.14 Percentage of production volume where the member company pays its share of the target wage.	8%	Fair Wear member companies are challenged to adopt approaches that absorb the extra costs of increasing wages.	Member company's own documentation, evidence of target wage implementation, such as wage reports, factory documentation, communication with factories, etc.	2	6	0

Comment: Based on the external audit and analysis of Acne, the production location in South Korea pays a living wage to its workers. This facility represent 8% of FOB (excluding Acne's production in low-risk countries).

Recommendation: We encourage Acne to show that discussions and plans for wage increases have resulted in the payment of a target wage.

Purchasing Practices

Possible Points: 52

Earned Points: 34

2. Monitoring and Remediation

Basic measurements	Result	Comments
% of production volume where approved member own audit(s) took place.		
% of production volume where approved external audits took place.	5%	
% of production volume where Fair Wear audits took place.	21%	
% of production volume where an audit took place.	26%	
% of production volume where monitoring requirements for low-risk countries are fulfilled.	62%	To be counted towards the monitoring threshold, FWF low-risk policy should be implemented. See indicator 2.g. (N/A = no production in low risk countries.)
Member meets monitoring requirements for tail-end production locations.	No (implementation will be assessed next performance check)	FWF members must meet tail-end monitoring requirements. Implementation will be assessed during next Brand Performance check.
Requirement(s) for next performance check	Fair Wear requires Acne to ensure it meets the necessary monitoring requirements for all production locations where it is responsible for more than 10% of total production.	
Total monitoring threshold:	88%	Measured as percentage of production volume (Minimums: 1 year: 40%; 2 years 60%; 3 years+: 80-100%)

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.1 Specific staff person is designated to follow up on problems identified by monitoring system.	Yes	Followup is a serious part of Fair Wear membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	2	2	-2

Comment: Acne has a sustainability department, where the sustainability specialist is responsible for following-up on problems identified by the monitoring system.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.2 Quality of own auditing system meets FWF standards.	Member makes use of FWF audits and/or external audits only	In case Fair Wear teams cannot be used, the member companies' own auditing system must ensure sufficient quality in order for Fair Wear to approve the auditing system.	Information on audit methodology.	N/A	0	-1

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.3 Audit Report and Corrective Action Plan (CAP) findings are shared with factory and worker representation where applicable. Improvement timelines are established in a timely manner.	Yes	2 part indicator: Fair Wear audit reports were shared and discussed with suppliers within two months of audit receipt AND a reasonable time frame was specified for resolving findings.	Corrective Action Plans, emails; findings of followup audits; brand representative present during audit exit meeting, etc.	2	2	-1

Comment: Fair Wear could verify that Acne has shared all audit reports and Corrective Action Plans with factories in the last financial year. All the CAPs have been discussed thoroughly. Acne has a system to regularly check remediation progress with factory management. Representatives of Acne also visit factories to conduct follow-up activities.

When sharing an audit report and CAP, Acne adds an extra column with extra questions and comments from Acne and request feedback within a month. For some audits, Acne has added an additional column for feedback from worker representatives.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.4 Degree of progress towards resolution of existing Corrective Action Plans and remediation of identified problems.	Intermediate	Fair Wear considers efforts to resolve CAPs to be one of the most important things that member companies can do towards improving working conditions.	CAP-related documentation including status of findings, documentation of remediation and follow up actions taken by member. Reports of quality assessments. Evidence of understanding relevant issues.	6	8	-2

Comment: In the last financial year, Acne has worked with all audited suppliers to make remediation based on the CAPs. Follow-up on CAPs is mainly based on regular communications on remediation progress with factories. During the past financial year, CAP follow-up was also used to check in on the Covid-19 situation and possible impact on the factory and workers.

The factories were able to demonstrate improvements via photos and narrative reports on various issues such as safety and health, paid holidays and transparency in wage payment and hour registration. Its production location in South Korea uses homeworkers for a specific task, Acne is closely monitoring this situation and is able to generate more and more information about the situation.

As mentioned before, audit information on wages and working hours is included in the supplier assessment and is used as input for the root-cause analysis on these topics. On other issues, Acne has not yet identified and addressed root causes.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.5 Percentage of production volume from production locations that have been visited by the member company in the previous financial year.	78%	Formal audits should be augmented by annual visits by member company staff or local representatives. They reinforce to production location managers that member companies are serious about implementing the Code of Labour Practices.	Member companies should document all production location visits with at least the date and name of the visitor.	4	4	0

Comment: In the past financial year Acne visited production locations responsible for 78% of its FOB. Most visits are done by production staff during the production process.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.6 Existing audit reports from other sources are collected.	Yes, quality assessed and corrective actions implemented	Existing reports form a basis for understanding the issues and strengths of a supplier, and reduces duplicative work.	Audit reports are on file; evidence of followup on prior CAPs. Reports of quality assessments.	3	3	0

Comment: Fair Wear has checked external audit reports collected by Acne. Some were only used as part of the due diligence process and not as part of the monitoring efforts. For others Acne was able to show they checked the quality and actively followed-up on findings, these are counted towards the monitoring threshold.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.7 Compliance with FWF risk policies.	Advanced result on all relevant policies	Aside from regular monitoring and remediation requirements under Fair Wear membership, countries, specific areas within countries or specific product groups may pose specific risks that require additional steps to address and remediate those risks. Fair Wear requires member companies to be aware of those risks and implement policy requirements as prescribed by Fair Wear.	Policy documents, inspection reports, evidence of cooperation with other customers sourcing at the same factories, reports of meetings with suppliers, reports of additional activities and/or attendance lists as mentioned in policy documents.	6	6	-2
Compliance with FWF enhanced monitoring programme Bangladesh	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF Myanmar policy	Policies are not relevant to the company's supply chain			N/A	6	-2
Compliance with FWF guidance on abrasive blasting	Advanced			6	6	-2
Compliance with FWF guidance on risks related to Turkish garment factories employing Syrian refugees	Advanced			6	6	-2
Other risks specific to the member's supply chain are addressed by its monitoring system	Advanced			6	6	-2

Comment: All denim products of Acne are produced in Italy and Portugal, where the law of prohibiting abrasive blasting is enforced. In the past financial year trainings were planned but postponed for all denim production locations.

Approximately 4% of Acne's production volume is from Turkey in the last financial year. All Turkish suppliers have been audited by Fair Wear. All subcontractors have been registered in Fair Wear's database. Acne was able to visit all production locations in the past financial year. Currently, no child labour or Syrian refugee workers were found at the Turkish suppliers.

Since FWF is not active in Italy, Acne mobilised a group of brands in a platform - The Italy Fashion Working Group - to collaborate and exchange information in order to mitigate risks and address issues regarding migrant workers. Production locations where migrants are working are audited.

For its Italian denim suppliers, Acne also developed its 'denim policy', which outlines the company's expectations with regard to subcontractors. The company expects its suppliers to share responsibility in relation to monitoring subcontractors and ensuring transparency. Related to Covid-19, the Italy Working Group organised trainings to support production locations to apply for government support, also ensuring subcontractors were included.

Acne is aware of country-specific risks for China, mainly related to excessive overtime. This is addressed as outlined in indicators 1.4, 1.5 and 1.7.

In South Korea, Acne's supplier uses homeworkers for a specific type of stitching. Acne has shared Fair Wear's policy on homeworkers with the facility and is closely monitoring the situation. In Italy, there is also a risk for homeworkers, but Acne's local production teams visit so often that they are able to identify any problems. So far homeworkers have not been found in Italy.

Related to Covid-19, Acne did a credit check with all their suppliers to ensure there would not be financial risks due to the pandemic. This information was included as part of the supplier evaluation and risk assessment. In addition, the company regularly checked in to discuss wages, hours and the specific situation in the factory.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.8 Member company cooperates with other FWF member companies in resolving corrective actions at shared suppliers.	Active cooperation	Cooperation between customers increases leverage and chances of successful outcomes. Cooperation also reduces the chances of a factory having to conduct multiple Corrective Action Plans about the same issue with multiple customers.	Shared CAPs, evidence of cooperation with other customers.	2	2	-1

Comment: Acne closely cooperates with Fair Wear and non-Fair Wear members in monitoring and remediation in Italy.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.9 Percentage of production volume where monitoring requirements for low-risk countries are fulfilled.	100%	Low-risk countries are determined by the presence and proper functioning of institutions which can guarantee compliance with national and international standards and laws. Fair Wear has defined minimum monitoring requirements for production locations in low-risk countries.	Documentation of visits, notification of suppliers of Fair Wear membership; posting of worker information sheets, completed questionnaires.	2	2	0

Member undertakes additional activities to monitor suppliers.: Yes (1)

Comment: Next to fulfilling the monitoring requirements, Acne has also done audits at three production locations responsible for 1% of FOB in low-risk countries and started to actively train suppliers in Italy.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.10 Extra bonus indicator: in case FWF member company conducts full audits at tail-end production locations (when the minimum required monitoring threshold is met).	No	Fair Wear encourages its members to monitor 100% of its production locations and rewards those members who conduct full audits above the minimum required monitoring threshold.	Production location information as provided to Fair Wear and recent Audit Reports.	N/A	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.11 Questionnaire is sent and information is collected from external brands resold by the member company.	No external brands resold	Fair Wear believes it is important for affiliates that have a retail/wholesale arm to at least know if the brands they resell are members of Fair Wear or a similar organisation, and in which countries those brands produce goods.	Questionnaires are on file.	N/A	2	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.12 External brands resold by member companies that are members of another credible initiative (% of external sales volume).	No external brands resold	Fair Wear believes members who resell products should be rewarded for choosing to sell external brands who also take their supply chain responsibilities seriously and are open about in which countries they produce goods.	External production data in Fair Wear's information management system. Documentation of sales volumes of products made by Fair Wear or FLA members.	N/A	3	0

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
2.13 Questionnaire is sent and information is collected from licensees.	No licensees	Fair Wear believes it is important for member companies to know if the licensee is committed to the implementation of the same labour standards and has a monitoring system in place.	Questionnaires are on file. Contracts with licensees.	N/A	1	0

Monitoring and Remediation

Possible Points: 30

Earned Points: 28

3. Complaints Handling

Basic measurements	Result	Comments
Number of worker complaints received since last check.	0	At this point, FWF considers a high number of complaints as a positive indicator, as it shows that workers are aware of and making use of the complaints system.
Number of worker complaints in process of being resolved.	0	
Number of worker complaints resolved since last check.	0	

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.1 A specific employee has been designated to address worker complaints.	Yes	Followup is a serious part of Fair Wear membership, and cannot be successfully managed on an ad-hoc basis.	Manuals, emails, etc., demonstrating who the designated staff person is.	1	1	-1

Comment: The sustainability team is responsible for addressing worker complaints.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.2 Member company has informed factory management and workers about the FWF CoLP and complaints hotline.	Yes	Informing both management and workers about the Fair Wear Code of Labour Practices and complaints hotline is a first step in alerting workers to their rights. The Worker Information Sheet is a tool to do this and should be visibly posted at all production locations.	Photos by company staff, audit reports, checklists from production location visits, etc.	2	2	-2

Comment: Fair Wear sampled five factories during the brand performance check. Acne was able to show pictures of the worker information sheet posted at all sampled factories. In addition, when reaching out to factories to check-in on the Covid-19 situation the brand explicitly asked for proof the of the Worker Information Sheet posted.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.3 Degree to which member company has actively raised awareness of the FWF CoLP and complaints hotline.	37%	After informing workers and management of the Fair Wear CoLP and the complaints hotline, additional awareness raising and training is needed to ensure sustainable improvements and structural worker-management dialogue.	Training reports, Fair Wear's data on factories enrolled in the WEP basic module. For alternative training activities: curriculum, training content, participation and outcomes.	4	6	0

Comment: Acne organised (WEP) trainings in five production locations, responsible for 37 % of production (excluding volume in low-risk countries).

Recommendation: Fair Wear recommends Acne to actively raise awareness about the Fair Wear Code of Labour Practices and Fair Wear complaint helpline among a larger portion of its suppliers. Acne should ensure good quality systematic training of workers and management on these topics. To this end, Acne can either use Fair Wear's WEP Basic module, or implement training related to the Fair Wear CoLP and complaint helpline through third-party training providers or brand staff. Non-Fair Wear training must follow the standards outlined in Fair Wear's guidance and checklist available on the Member Hub.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.4 All complaints received from production location workers are addressed in accordance with the FWF Complaints Procedure.	No complaints received	Providing access to remedy when problems arise is a key element of responsible supply chain management. Member company involvement is often essential to resolving issues.	Documentation that member company has completed all required steps in the complaints handling process.	N/A	6	-2

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
3.5 Cooperation with other customers in addressing worker complaints at shared suppliers.	No complaints or cooperation not possible / necessary	Because most production locations supply several customers with products, involvement of other customers by the Fair Wear member company can be critical in resolving a complaint at a supplier.	Documentation of joint efforts, e.g. emails, sharing of complaint data, etc.	N/A	2	0

Complaints Handling

Possible Points: 9

Earned Points: 7

4. Training and Capacity Building

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.1 All staff at member company are made aware of FWF membership.	Yes	Preventing and remediating problems often requires the involvement of many different departments; making all staff aware of Fair Wear membership requirements helps to support cross-departmental collaboration when needed.	Emails, trainings, presentation, newsletters, etc.	1	1	0

Comment: The sustainability department of Acne provided introduction training to new colleagues. This financial year sustainability was included in HQ meetings and shared the business goals related to sustainability. In addition, the sustainability report is shared internally and in the past financial year specific information for customers was shared with sales. Also, the sustainability department organised a training with all head of departments.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.2 All staff in direct contact with suppliers are informed of FWF requirements.	Yes	Sourcing, purchasing and CSR staff at a minimum should possess the knowledge necessary to implement Fair Wear requirements and advocate for change within their organisations.	Fair Wear Seminars or equivalent trainings provided; presentations, curricula, etc.	2	2	-1

Comment: The production department works closely with the sustainability department. The production staff is aware of working conditions in factories. Before placing orders, production staff meets with the sustainability department to learn about compliance status.

New colleagues are introduced to social compliance related to the sourcing policy. Seasonal meetings are held to discuss Fair Wear requirements and situation at suppliers.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.3 All sourcing contractors/agents are informed about FWF's Code of Labour Practices.	Yes + actively support COLP	Agents have the potential to either support or disrupt CoLP implementation. It is the responsibility of member company to ensure agents actively support the implementation of the CoLP.	Correspondence with agents, trainings for agents, Fair Wear audit findings.	2	2	0

Comment: Agents of Acne are involved in the implementation of CoLP through checking the posting of worker information sheets, collecting existing audit reports and organising audits. Follow-up of audits goes via agents.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.4 Factory participation in training programmes that support transformative processes related to human rights.	0%	Complex human rights issues such as freedom of association or gender-based violence require more in-depth trainings that support factory-level transformative processes. Fair Wear has developed several modules, however, other (member-led) programmes may also count.	Training reports, Fair Wear's data on factories enrolled in training programmes. For alternative training activities: curriculum, training content, participation and outcomes.	0	6	0

Comment: Acne did not organise trainings that support transformative processes related to human rights in that past financial year.

Recommendation: Fair Wear recommends members to implement training programmes that support factory-level transformation such as establishing functional internal grievance mechanisms, improving worker-management dialogue and communication skills or addressing gender-based violence. Training assessed under this indicator should go beyond raising awareness and focus on behavioural change and long-term structures to improve working conditions. To this end, members can make use of Fair Wear's Workplace Education Programme communication or violence prevention module or implement advanced training through service providers or brand staff. FWF guidance on good quality training is available on the Member Hub.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
4.5 Degree to which member company follows up after a training programme.	No training programmes have been conducted or member produces solely in low-risk countries	After factory-level training programmes, complementary activities such as remediation and changes on brand level will achieve a lasting impact.	Documentation of discussions with factory management and worker representatives, minutes of regular worker-management dialogue meetings or anti-harassment committees.	N/A	2	0

Training and Capacity Building

Possible Points: 11

Earned Points: 5

5. Information Management

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
5.1 Level of effort to identify all production locations.	Advanced	Any improvements to supply chains require member companies to first know all of their production locations.	Supplier information provided by member company. Financial records of previous financial year. Documented efforts by member company to update supplier information from its monitoring activities.	6	6	-2

Comment: Acne has demonstrated efforts to identify and register all production locations. No evidence of missing information on first-tier locations was found. Acne has a high motivation in knowing every production location. It is not only to fulfill membership requirements but also to mitigate risks and have control over the working conditions of workers. Acne allows suppliers to use subcontractors and requires full transparency on the locations of subcontractors. This opens the discussion and builds up trust among Acne and suppliers on the topic of subcontracting. Acne collects also information regarding home-based workers in their supplier in South Korea, where FWF is not active.

In practice, Acne checks all production locations prior to production, during production staff often visits production locations and once a year the sustainability department collects information on production locations per style and per production step.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
5.2 CSR and other relevant staff actively share information with each other about working conditions at production locations.	Yes	CSR, purchasing and other staff who interact with suppliers need to be able to share information in order to establish a coherent and effective strategy for improvements.	Internal information system; status CAPs, reports of meetings of purchasing/CSR; systematic way of storing information.	1	1	-1

Comment: The sustainability department is in regular contact with the production department. In addition, during the seasonal meetings all relevant staff is updated on working conditions of all (potential) production locations.

Information Management

Possible Points: 7

Earned Points: 7

6. Transparency

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.1 Degree of member company compliance with FWF Communications Policy.	Minimum communications requirements are met AND no significant problems found	Fair Wear's communications policy exists to ensure transparency for consumers and stakeholders, and to ensure that member communications about Fair Wear are accurate. Members will be held accountable for their own communications as well as the communications behaviour of 3rd-party retailers, resellers and customers.	Fair Wear membership is communicated on member's website; other communications in line with Fair Wear communications policy.	2	2	-3

Comment: Acne communicates about its Fair Wear membership on its website. All communication is in line with the communication policy.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.2 Member company engages in advanced reporting activities.	Published Brand Performance Checks, audit reports, and/or other efforts lead to increased transparency.	Good reporting by members helps to ensure the transparency of Fair Wear's work and shares best practices with the industry.	Member company publishes one or more of the following on their website: Brand Performance Check, Audit Reports, Supplier List.	1	2	0

Comment: Acne published the brand performance check report on its website.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
6.3 Social Report is submitted to FWF and is published on member company's website.	Complete and accurate report submitted to FWF AND published on member's website.	The social report is an important tool for members to transparently share their efforts with stakeholders. Member companies should not make any claims in their social report that do not correspond with Fair Wear's communication policy.	Social report that is in line with Fair Wear's communication policy.	2	2	-1

Comment: Acne publishes its sustainability report, which includes the social report, on its website.

Transparency

Possible Points: 6

Earned Points: 5

7. Evaluation

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
7.1 Systemic annual evaluation of FWF membership is conducted with involvement of top management.	Yes	An annual evaluation involving top management ensures that Fair Wear policies are integrated into the structure of the company.	Meeting minutes, verbal reporting, Powerpoints, etc.	2	2	0

Comment: The Sustainability Director is in close contact with the product director.

Performance indicators	Result	Relevance of Indicator	Documentation	Score	Max	Min
7.2 Level of action/progress made on required changes from previous Brand Performance Check implemented by member company.	0%	In each Brand Performance Check report, Fair Wear may include requirements for changes to management practices. Progress on achieving these requirements is an important part of Fair Wear membership and its process approach.	Member company should show documentation related to the specific requirements made in the previous Brand Performance Check.	-2	4	-2

Comment: In last year's performance check, Fair Wear required Acne to ensure it audited all production locations where it was responsible for over 10% of production. In the past financial year Acne did not show progress, as the same factories are still not audited.

Evaluation

Possible Points: 6

Earned Points: 0

Recommendations to Fair Wear

It would be interesting if Fair Wear could summarise audit results to guide brands with country specific guidance/questions to ask suppliers.

Fair Wear should develop guidance on how to allocate FOB per subcontractor.

Scoring Overview

Category	Earned	Possible
Purchasing Practices	34	52
Monitoring and Remediation	28	30
Complaints Handling	7	9
Training and Capacity Building	5	11
Information Management	7	7
Transparency	5	6
Evaluation	0	6
Totals:	86	121

Benchmarking Score (earned points divided by possible points)

71

Performance Benchmarking Category

Leader

Brand Performance Check details

Date of Brand Performance Check:

17-12-2020

Conducted by:

Anne van Lakerveld

Interviews with:

Britt van Hasselt - Chief Product Officer

Eran Kaim - Product Director

Sara Wallin - Head of Production

Emma Häggström - Sustainability Director

Maaïke Kokke - Sustainability specialist